

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Retail Ground and Parcel Select Ground
Service Standard Changes, 2022

Docket No. N2022-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 4
AND NOTICE OF FILING UNDER SEAL

(Issued April 15, 2022)

Pursuant to Order No. 6124¹ and 39 C.F.R. §§ 3020.117 and 3020.118, the Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion under 39 U.S.C. § 3661(b) regarding Retail Ground (RG) and Parcel Select Ground (PSG) service standard changes.² To facilitate inclusion of the requested material in the evidentiary record, the Postal Service shall have a witness attest to the accuracy of the answers. For each question, produce every document (including any calculations, analysis, assumptions, studies, or workpapers) that were used, relied upon, or referenced in preparing the response. Responses shall be provided as soon as they are available, but no later than April 22, 2022.

1. Please refer to the response to POIR No. 1, questions 4, 5.b., and 5.f.³ In its response to question 4, the Postal Service states “[t]he response validated the Postal Service’s experience in customer’s overall willingness to prioritize cost over speed for a cheaper price for less critical shipments.” In its response to

¹ Notice and Order on the Postal Service’s Request for an Advisory Opinion on Changes in the Nature of Postal Services, March 23, 2022 (Order No. 6124).

² United States Postal Service’s Request for an Advisory Opinion on Changes in the Nature of Postal Services, March 21, 2022 (Request).

³ Responses of the United States Postal Service to Questions 1-10 of Presiding Officer’s Information Request No. 1, April 8, 2022 (Response to POIR No. 1).

question 5.b., the Postal Service states “[w]e define low-price as a price less than published parcels destined to zone 2, 1LB (net minimum) charge for LB -rated competitive parcels” and provides definitions for “medium-price” and “high-price” that appear to directly align with “medium-speed” and “high-speed,” respectively. In its response to question 5.f., the Postal Service states RG and PSG “will remain a low-price shipping option for larger packages; however, their speed will be improved by as much as three days.”

- a. Given that the Postal Service defines “low-price” as “a price less than published parcels destined to zone 2, 1LB (net minimum) charge for LB -rated competitive parcels,” and “medium-price” and “high-price” align with faster speeds, how does the Postal Service categorize RG and PSG that are heavier than a pound in zones 3 to 8?
- b. Please explain the basis for selecting the rate category “zone 2, 1LB” as the maximum price point for the “low-price” price segment.
 - i. Please confirm that based on the Postal Service’s definition of “low-price,” the price of a 70LB zone 8 parcel would be categorized as “low-price,” if and only if, its price is less than the zone 2, 1LB rate.
 - ii. If not confirmed, please explain.
- c. Please specify a price range with minimum and maximum price points for each price segment, “low-price,” “medium-price,” and “high-price” for the delivery of packages weighing more than one pound in zones 3 to 8.
- d. Please confirm that with the proposed service standard change, there would be no upward pressure on price of RG and PSG that are heavier than a pound in zones 3 to 8 due to potentially higher cost of providing faster speed service.
 - i. If confirmed, please explain the basis of this assertion.
 - ii. If not confirmed, please explain how customers who prioritize price over speed benefit from the proposed service standard change.

- iii. If not confirmed, please further confirm that the Postal Service would not have a low-price, low-speed product to meet the demand of customers who strictly prioritize price over speed.
- 2. Does the Postal Service anticipate that the proposed change in service standards will impact customers in urban and rural areas in different ways?
 - a. If the Postal Service does not anticipate differences in service between rural and urban areas, please explain why not.
 - b. If the Postal Service anticipates differences in service between rural and urban areas, please describe the nature and cause of those differences and any plans the Postal Service has to minimize or otherwise address those differences.
- 3. Please see Attachment, filed under seal.
- 4. Please see Attachment, filed under seal.
- 5. Please see Attachment, filed under seal.
- 6. Please see Attachment, filed under seal.

Michael Kubayanda
Presiding Officer